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**BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES**

Application Number: 09/825,470  
Filing Date: April 02, 2001  
Appellant(s): LAWRENCE, DAVID

Randolph P. Calhoun  
For Appellant

**EXAMINER'S ANSWER**

This is in response to the appeal brief filed June 20, 2007 appealing from the Office action mailed October 19, 2006.

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**(1) Real Party in Interest**

A statement identifying by name the real party in interest is contained in the brief.

**(2) Related Appeals and Interferences**

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

**(3) Status of Claims**

The statement of the status of claims contained in the brief is correct.

**(4) Status of Amendments After Final**

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

**(5) Summary of Claimed Subject Matter**

The summary of claimed subject matter contained in the brief is substantially correct. However, 37 C.F.R. 41.37(c)(1)(v) requires:

Summary of claimed subject matter. A concise explanation of the subject matter defined in each of the independent claims involved in the appeal, ***which shall refer to the specification by page and line number, and to the drawing, if any, by reference characters.*** For each independent claim involved in the appeal and for each dependent claim argued separately under the provisions of paragraph (c)(1)(vii) of this section, every means plus function and step plus function as permitted by 35 U.S.C. 112, sixth paragraph, must be identified and the structure, material, or acts described in the specification as corresponding to each claimed function must be set forth with reference to the specification by page and line number, and to the drawing, if any, by reference characters.

As to independent claims 1, 16, and 20, appellant did not provide a reference to the specification or the drawing for the following limitations:

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assigning a numerical value to each of the plurality of risk assessment factors, wherein the numerical value is indicative of a legal risk of each risk assessment factor relative to the other plurality of risk assessment factors

assigning a weight to each of the plurality of risk assessment factors

calculating a plurality of risk factor values by multiplying the numerical value and the weight assigned to each of the plurality of risk assessment factors

Further, appellant states that support for *receiving, into a computer memory, information identifying a person's status as at least one of a party to a legal action and an amicus curiae of the court in a pending legal action* is found in Figure 3 (310) and paragraph [0042].

However, Figure 3 (310) only discloses "Receive General Information" and paragraph [0042] discloses:

[0042] Referring now to FIG. 3, steps taken to manage risk associated with a financial transaction with legal action risk exposure can include receiving general information 210 which can be related to information received descriptive of a particular legal action 211. As described above, general information data can be gathered from a user or from a source of electronic data such as an external database, messaging system, news feed, government agency, or other automated data provider. Information can be received on an ongoing basis such that if new events occur in the world with bearing upon a Legal Action, the Risk Quotient 110 can be adjusted accordingly.

The cited figure and paragraph do not provide disclose for the limitation of *identifying a person's status as at least one of a party to a legal action and an amicus curiae of the court*.

Likewise, appellant states that support for *receiving, into the computer memory, information relating to a plurality of risk assessment factors associated with the legal action, wherein the risk assessment factors are selected from a group consisting of: a*

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*likelihood of prolonged litigation, damages, punitive damages, and damaged public opinion* can be found at Figure 3 (312) and paragraph [0043]. Figure 3 (312) simply discloses "Structure the information according to ALARM Risk Factors" while paragraph [0043] discloses:

[0043] The ALARM server 210 can structure the information received according to defined ALARM risk assessment factors 312. For example, previous opinions by a presiding judge may indicate a propensity towards strong anti-trust sentiments, or a Legal Action affecting a political topic may become a catalyst for action by a public action committee or other special interest group. Information can be received into a form on a GUI or in response to a question presented on a GUI whereby it can be input directly into a related field in a database. Information can also be received as general text, or other manner that is more difficult to direct straight into a field. General text or other information that does not correlate with a data field layout can be analyzed with artificial intelligence, key word association, or other programmed analysis to structure it according to the ALARM risk assessment factors 312.

The cited figure and paragraph do not provide support for the limitation of *wherein the risk assessment factors are selected from a group consisting of: a likelihood of prolonged litigation, damages, punitive damages, and damaged public opinion.*

#### **(6) Grounds of Rejection to be Reviewed on Appeal**

The appellant's statement of the grounds of rejection to be reviewed on appeal is substantially correct. The changes are as follows:

Appellant did not identify the following rejection which is still outstanding

1. Claims 1-2, 6-9, 11-20, and 24-27 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to

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one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention.

The appellant amended the claim language to include the following limitation: wherein the risk assessment factors are selected from a group consisting of: a likelihood of prolonged litigation, damages, punitive damages, and damaged public opinion.

The Examiner asserts that specification does not provide support for the "consisting of" language.

2. The rejection under 35 U.S.C. 112, 2<sup>nd</sup> paragraph is ***withdrawn***.

#### **NEW GROUND(S) OF REJECTION**

Claims 1-2, 6-9, 11-15, and 24-27 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

#### **(7) Claims Appendix**

The copy of the appealed claims contained in the Appendix to the brief is correct.

#### **(8) Evidence Relied Upon**

2001/0044737	HALLIGAN et al.	11-2001
5,875,431	HECKMAN et al.	2-1999

**(9) Grounds of Rejection**

The following ground(s) of rejection are applicable to the appealed claims:

**NEW GROUND(S) OF REJECTION**

***Claim Rejections - 35 USC § 101***

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-2, 6-9, 11-15 and 24-27 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. Based on Supreme Court precedent a method claim must (1) be tied to another statutory class of invention (such as a particular apparatus) or (2) transform underlying subject matter (such as an article or materials) to a different state or thing (see at least *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780, 787-88 (1876)). A method claim that fails to meet one of the above requirements is not in compliance with the statutory requirements of 35 U.S.C. 101 for patent eligible subject matter. Here claims 1-2, 6-9, 11-15 and 24-27 fail to meet the above requirements since there is not a sufficient tie to another statutory class.

***Claim Rejections - 35 USC § 112***

The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

Claims 1-2, 6-9, 11-20, and 24-27 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the enablement requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention.

The following terms and concepts are not defined in a concrete manner that would allow someone to duplicate the invention. There are no clear and adequate explanations of the following terms so as to allow one wishing to duplicate and use the invention to do so:

Appellant has amended the claims language to read:

Receiving, into the computer memory, information relating to a plurality of risk assessment factors associated with a legal action, ***wherein the risk assessment factors are selected from a group consisting of a likelihood of prolonged litigation, damages, punitive damages, and damaged public opinion***

The claim language is then directed to:

assigning a numerical value to each of the plurality of risk assessment factors wherein the numerical value is indicative of a legal risk of each risk assessment factor relative to the other plurality of risk assessment factors;

calculating a plurality of risk factor values by multiplying the numerical value and the weight assigned to each of the plurality of risk assessment factors;

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calculating a risk quotient for the legal action by summing the plurality of risk factor values; and

in response to the calculated risk quotient, generating a suggested action associated with the legal action.

The specification explicitly states one exemplary way to implement the invention, which includes multiplying (an assigned numerical value representative of risk associated with a piece of information) x (a numerical weight of a risk assessment factor to which the information is assigned) and summing up the results for multiple pieces of information to obtain a risk quotient (scaled numerical or alphanumerical value).

How is the numerical value assigned to the risk assessment factors? What determines how the value gets assigned?

The calculation involves subjective analysis of values that are not defined. There is no detailed or concrete, full, concise and exact written description of how one would quantify or assign the values.

Appellant directs the Examiner to paragraphs 0045-0047 wherein it is discloses as follows:

[0045] A ALARM risk quotient can be calculated 313 by weighting the risk assessment factors 116 according to their relative risk, such as the likelihood of prolonged litigation, substantial damages, punitive actions, damaged public opinion or other adverse affects related to Risk. Calculating a ALARM risk quotient can be accomplished by assigning a numerical value to each risk assessment factor 116, wherein the numerical value is representative of the risk associated with a particular piece of information, or a combination of pieces of information. For example, it may be determined in one case that a litigation poses significant advantages with a very strong position that has a good chance of being resolved through a summary judgment before an issue friendly judge. Therefore this information from the first case is assigned a low numerical value, or even a negative numerical value. In a second case, an



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issue may involve subject matter that is sensitive politically or to public relations. Information conveying this type of subject matter with high risk may be assigned a high numerical value. In addition, a weight can be assigned to an ALARM risk assessment factor 116 to which the information is assigned. A Risk Quotient can be calculated by multiplying a weighted numerical value indicative of how important a risk assessment factor 116 may be in regards to Risk times a value assigned according to the information contained in the risk assessment factor to obtain a risk factor value. The risk factor values may then be summed to obtain the Risk Quotient 110.

[0046] For example, information received may indicate a potential litigation would be before a court that has previously issued strong opinions adverse to a client's position. In addition, the subject matter of the potential litigation may be particularly sensitive in the political arena. The risk assessment factor 116 assigned to the court may be a numerical value of 8 indicating a high risk with a weight of 10 given to court positions. In addition, the subject matter may also be rated at an 8 because of the risk associated with the political climate and political climate may have a weight of 7 according to its location and breadth of coverage. On the other hand, the client may have strong evidence in support of their position, which may receive a 1 because it is a relatively low risk. Evidence may also have a risk factor value of 10. Also, the subject matter of the legal action may not be a core interest to the client wherein this risk factor may be assigned a value of 3, with interest to client having an assigned weight of 5. Therefore, the net score for this example would be 8 times 10 or 80 plus 8 times 7 or 56 plus 3 times 10 or 30 plus 3 times 5 or 15 for a sum of 181, which is the Risk Quotient.

[0047] A suggested action can be generated that is responsive to the Risk Quotient 314. For example, in response to a substantial risk indicated by a large value for a Risk Quotient, a suggested action may be to not proceed with a legal transaction or to settle a pending action. In response to a low risk score, the ALARM server 210 may respond by generating a course of action recommending pursuit of a legal action, and/or a strategy that may be executed to pursue the action. Intermediate scores may respond by suggesting that additional information be gathered, that various aspects of the legal action be monitored, or other interim measures.

There is no list of essential elements or questions identified which identify the numerical values and how they are assigned. Thus, there is no concrete result produced. The specification provides very little usable clear guidance as to how to objectively make the determination of what is produced in the report.

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With respect to subjective information entered by a user, this subjective information would result in a different value depending on the scaled values that the individual uses, how the values are assigned and the weight the individual assigns to a factor. Thus, for each individual performing the invention, the result would be different and would have a different meaning. Therefore, the invention does not produce a repeatable or concrete result as required by the statute. The users of the invention must conduct a great deal of experimentation on their part in order to use the invention – to the point where the users become the inventor of their own application of the invention, rather than the applicant.

Claims 1-2, 6-9, 11-20, and 24-27 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention.

The appellant has amended the claim language to include the following limitation:

**wherein the risk assessment factors are selected from a group consisting of: a likelihood of prolonged litigation, damages, punitive damages, and damaged public opinion.**

**MPEP 2111.03 Transitional Phrases [R-3]**

The transitional phrase "consisting of" excludes any element, step, or ingredient not specified in the claim. *In re Gray*, 53 F.2d 520, 11 USPQ 255 (CCPA 1931); *Ex parte Davis*, 80 USPQ 448, 450 (Bd. App. 1948) ("consisting of" defined as "closing the

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claim to the inclusion of materials other than those recited except for impurities ordinarily associated therewith.").

The appellant discloses the following in the specification:

[0045] A ALARM risk quotient can be calculated 313 by weighting the risk assessment factors 116 according to their relative risk, ***such as the likelihood of prolonged litigation, substantial damages, punitive actions, damaged public opinion or other adverse affects related to Risk.*** Calculating a ALARM risk quotient can be accomplished by assigning a numerical value to each risk assessment factor 116, wherein the numerical value is representative of the risk associated with a particular piece of information, or a combination of pieces of information. For example, it may be determined in one case that a litigation poses significant advantages with a very strong position that has a good chance of being resolved through a summary judgment before an issue friendly judge. Therefore this information from the first case is assigned a low numerical value, or even a negative numerical value. In a second case, an issue may involve subject matter that is sensitive politically or to public relations. Information conveying this type of subject matter with high risk may be assigned a high numerical value. In addition, a weight can be assigned to an ALARM risk assessment factor 116 to which the information is assigned. A Risk Quotient can be calculated by multiplying a weighted numerical value indicative of how important a risk assessment factor 116 may be in regards to Risk times a value assigned according to the information contained in the risk assessment factor to obtain a risk factor value. The risk factor values may then be summed to obtain the Risk Quotient 110.

The Examiner asserts that specification does not provide support for the "consisting of" language.

The language in the specification is open ended, not closing the claim to inclusion of materials other than those recited. The specification identifies the listed factors as being a way of example. Furthermore, the language "or other adverse affects related to risk" indicates that the list comprises other factors.

***Claim Rejections - 35 USC § 101***

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claim 1-2, 6-9, 11-20, and 24-27 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The basis of this rejection is set forth in a two-prong test of:

- (1) whether the invention is within the technological arts; and
- (2) whether the invention produces a useful, concrete, and tangible result.

For a claimed invention to be statutory, the claimed invention must produce a useful, concrete, and tangible result. The claimed invention does not produce a concrete result. The invention as claimed is not repeatable and cannot be implemented without undue experimentation.

MPEP 2106 II A states as follows:

A process that consists solely of the manipulation of an abstract idea is not concrete or tangible. See *In re Warmerdam*, 33 F.3d 1354, 1360, 31 USPQ2d 1754, 1759 (Fed. Cir. 1994). See also *Schrader*, 22 F.3d at 295, 30 USPQ2d at 1459.

Appellant admits on page 10 of applicant's response filed on September 16, 2004 that the user of the present invention is free to generate a value via objective or

***subjective*** means. Appellant states on page 10 that:

The present invention is not limited to any one method or algorithm for the generation of such a scaled value. Many techniques and methods can be adapted for the generation of a scaled value based upon the information relating to legal action. Appellant respectfully suggests that the present invention is not

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limited to any one algorithm or method for ascertaining the scaled numeric or alphanumeric value, and that generating such a person practicing the present invention is free to generate a value via objective or **subjective** means.

The appellant has not provided any objective means.

Appellant states on page 11 of the response submitted on July 7, 2005 that the "example on page 12, lines 15-27 specifically details that a risk assessment can be **subjective** to the client using the present invention, as can be a numerical value representative of the risk associated with a particular piece of information." Appellant further states that a risk assessment factor can be anything that is important to the client and relates to the client's status as party to a litigation or an amicus curiae".

Many subjective interpretive criteria are involved in coming up with the end result in applicant's invention and it is not clear that the end result is predictive. The specification provides very little usable clear guidance as to how to objectively make the determination of how or what value is assigned or how or what weight is assigned to the risk assessment factors.

Thus, for each individual performing the invention, the scaled values would be different, the factors would be weighed differently and each individual performing the invention, for the same set of facts, would come up with a different result and the result would mean something different to each of the individuals.

The result of the instant invention is one or more numbers generated by a subjective analysis of a human being. Section 101 requires that the results be reproducible. In the instant case, the numerical values and the assigned weights are the result of expressions of subjective mental steps of a particular individual. Even the same person might generate different values and assign different weights, as when the

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person feels differently about the assessment factors at a different time. Moreover, since the result is subjective and dependent on a cognitive process, a person can be dishonest about how the values should be assigned or weighted. The subjective component of the invention is not amendable to reproducibility of a result. The result is not concrete or tangible, but merely one or more numbers that may serve as input data for processing.

Thus, the applicant's invention is a process that consists solely of the manipulation of an abstract idea and therefore is not concrete.

### ***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1-2, 6-9, 11-20 and 24-27 are rejected under 35 U.S.C. 103(a) as being unpatentable over Heckman et al. (US 5,875, 431) (hereinafter referred to as Heckman) in view of Halligan et al (2002/0077941) (hereinafter referred to as Halligan).

Referring to Claims 1, 16 and 20:

Heckman discloses a computer implemented method, system, and program code for managing risk related to a legal action, the system comprising a computer server (Figure 2 (27) (28)) accessible with a network access device via a communications

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network (Figure 2 (20) and (19)) and software to cause the system to perform the method (col. 5, lines 11-17; col. 12, lines 40-54) comprising:

receiving, into a computer memory, information relating to a plurality of risk assessment factors associated with legal actions (col. 6, lines 45-64 a strategic legal service plan; requires identification of milestones against which one can measure process toward the objective; once this path has been identified, deviations destructive to progress are more detected and avoided; col. 7, lines 6-12 **strategic case plans consist of an accurate assessment of a case's potential opportunities and weaknesses**; col. 7, lines 36-39 the legal team must decide upon the desired outcome and **the acceptable level of risk or uncertainty permitted** as it can affect the cost of delivery of services (risk assessment); col. 7, line 48 thru col. 8, line 4 perform a structured, or triage-type analysis to decide whether the case is defensible or meritorious; the results will usually be sufficient to permit a rough determination of exposure or liability; col. 16, lines 59-66 routing information to Risk Management) generating a suggested action (col. 5, lines 18-28 enabling an iterative, interactive closed loop legal strategic planning system **to produce a legal strategic plan** to maximize the likelihood of attaining the desired outcome to the case; col. 5, lines 61-67 strategic legal activity or litigation planning aspects of the invention involve defining the most cost-efficient process by which a defined, acceptable case outcome may be obtained) col. 13, lines 48-54; col. 14, lines 33-39 and 45-56; col. 17, lines 34-37).

Heckman does not disclose assigning a numerical value to each of a plurality of risk assessment factors, wherein the numerical value is indicative of a legal risk of each risk assessment factor relative to the other plurality of risk assessment factors, assigning a weight to each of the plurality of risk assessment factors, calculating a risk factor value by multiplying the numerical value and the weight assigned to each of the risk assessment factors; calculating a risk quotient for the legal action by summing the plurality of risk values.

However, Halligan discloses a trade secret documentation tool used to prepare reports and court exhibits documenting employee and outsider exposure to trade secrets so as to be used at the time of litigation by assigning a numerical value to each of a plurality of risk assessment factors, wherein the numerical value is indicative of a legal risk of each risk assessment factor relative to the other plurality of risk assessment factors (*Figure 4 Enter values of the five factors for the Trade Secret; page 2 [0020-0023], page 6 [0094-0095], page 7 [0096] steps of applying a plurality of generally accepted legal criteria to the content of a trade secret, **assigning a value under each criterion**; applying generally accepted legal criteria (e.g. the six factors of a trade secret as set forth in Section 757 of the First Restatement of Torts; page 2 [0020-0023], page 6 [0095], and page 7 [0096-0098] **assigning a value under each criterion and generating one or more metrics from the assigned values; the appellant may provide information about the estimated values of the six factors of a trade secret, such as on a 1 to 5 scale; assigning a value under each criterion and generating one or more metrics; Figures 3-4, 6 – Report Outliers, page 3 [0034]***



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*calculating the ratios and other logical and mathematical values from various values associated with the trade secret and other data and displaying and printing the results; page 7 [0096] comparing the results with predetermined threshold values may be used to provide an objective measure of whether the trade secret is defensible, (i.e., defensible); used to establish that a court of competent jurisdiction would more likely than not find the existence of a trade secret.), assigning a weight to each of the plurality of risk assessment factors ([0009] using the six facts to document, **weight** and evaluate the existence of a trade secret and measures to protect the trade secret [0017] weighting of the six factors [0027] **calculating various weightings of the six factors [0095] the five factors for each trade secret may be characterized by a value, a number on a scale of 1 to 5; the accounting system may calculate various weightings of the six factors**), calculating a risk factor value by multiplying the numerical value and the weight assigned to each of the risk assessment factors; calculating a risk quotient for the legal action by summing the plurality of risk values ([0034] *calculating the ratios and other logical and mathematical values; [0097] assigned values may be averaged to provide the relevant metric; the six assigned values may be multiplied and the sixth root taken*)*

It would have been obvious to one of ordinary skill in the art at the time of the invention to combine analysis method and system of Halligan with the legal strategic analysis method and system of Heckman so that an evaluation can be performed to determine whether the trade secret is likely to meet the tests applied by the courts and comparing the results with predetermined threshold values which can be used to

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provide an objective measure of whether the trade secret is defensible, and thus any alleged misappropriation should be litigated if the defensibility factors are high which may suggest a very important or defensible trade secret as opposed to trade secrets with low defensibility factors.

Assuming the fact that the appellant has support in the specification for the "consisting of" language, the Examiner asserts that Heckman and Halligan disclose information relating to a plurality of risk assessment factors associated with legal actions (Heckman col. 6, lines 45-64 a strategic legal service plan; requires identification of milestones against which one can measure progress toward the objective; once this path has been identified, deviations destructive to progress are more detected and avoided; col. 7, lines 6-12 **strategic case plans consist of an accurate assessment of a case's potential opportunities and weaknesses**; col. 7, lines 36-39 the legal team must decide upon the desired outcome and **the acceptable level of risk or uncertainty permitted** as it can affect the cost of delivery of services (risk assessment); col. 7, line 48 thru col. 8, line 4 perform a structured, or triage-type analysis to decide whether the case is defensible or meritorious; the results will usually be sufficient to permit a rough determination of exposure or liability; col. 16, lines 59-66 routing information to Risk Management)

*The fact that the risk assessment factors are selected from a group consisting of a likelihood of prolonged litigation, damages, punitive damages, and damaged public opinion further defines the factors and is determined to be nonfunctional descriptive data which is not functionally involved in the steps recited. The steps to the invention would be performed the same regardless of what type risk factors are being assessed. The structure of the system would be the same. Thus, this descriptive material will not distinguish the claimed invention from the prior art in terms of patentability, see In re Gulack, 703 F. 2d 1381, 1385, 217 USPQ 401, 404 (Fed Cir. 1983); in re Lowry, 32 F. 3d 1579, 32 USPQ 2d 1031 (Fed. Cir. 1994).*

Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate this data because such data does not functionally

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relate to the steps in the method claimed and because the subjective interpretation of data does not patentably distinguish the claimed invention.

Referring to Claim 2:

Heckman disclose generating a report including the suggested action (*col. 5, lines 64-67 defining the most cost-efficient process by which a defined, acceptable case outcome may be obtained, col. 6, lines 13-17 provides the "best" legal strategic plan to achieve a desired out is enhanced as completed cases are analyzed, lines 45-48, col. 19 –BEST MODE, Figure 5-1 (62) Figure 5-2 (68, 69) col. 13, lines 48-54 reporting information; col. 14, lines 33-39 and 45-56 (track and report; quality or type of reports; col. 17, lines 34-37))*).

Referring to Claim 6:

Both Halligan and Heckman disclose wherein the suggested action is directed towards reducing risk related to a legal action (*Halligan – page 1 [0009] an evaluation should be done to determine whether the trade secret is likely to meet the tests applied by the courts; Section 757 of the First Restatement of Torts sets forth six factors for evaluating the existence of a trade secret to assist courts in adjudicating trade secrets, page 2 [0020], page 7 [0096-0098] defendability factors may suggest a very important or defendable trade secret; and Heckman – col. 6, lines 9-23 provides "best" legal strategic plan to achieve a desired outcome*).

Referring to Claims 7-9:

Heckman discloses a strategic planning method and system with the ability to provide the "best" legal strategic plan (*col. 6, lines 8-23, 45-64*) which could encompass

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arbitration. Heckman discloses wherein the suggested action comprises commencing a litigation and wherein the suggested action comprises settling a legal action (*Figure 4 col. 22, lines 12-28 based on the results of the preliminary analysis, a decision is made to either go forward with legal action or stop and settle the case*).

Referring to Claim 11:

Heckman discloses wherein at least one of the plurality of risk assessment factors is associated with a venue for the legal action (*col. 8, lines 21-36 Venue, col. 16, lines 59-60 impact of the venue of the case, the relevant jurisdiction, col. 15, lines 21-22, Figure 2*).

Referring to Claim 12:

Halligan discloses wherein the received information relating to the plurality of risk assessment factors is gathered electronically (*Figure 1, [0051-0061] [0080]*).

Referring to Claim 13:

Both Heckman and Halligan disclose a method further comprising aggregating scaled numerical or alphanumerical values relating to the person (*Heckman – defendants col. 8, lines 38-63 and Halligan – trade secrets*) and assessing an aggregate level or risk related to actions (*Heckman Figures 1-2, 3 (33 case specific data) (34, 35, 37, 38), Figure 4, legal and factual issues, nature of case, Figures 5-1 and 5-2; col. 7, lines 36-40 acceptable level of risk and uncertainty; col. 8, lines 5-20 summary of case facts, lines 37-52 Current Case Development; col. 11, lines 18-41; col. 20, line 67 thru col. 21, line 2 the risk of not achieving the desired outcome is a factor in selecting the*

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*baseline template; minimizing the risk of failure for each task; Halligan page 2-3 [0020-0034]; page 7 [0099] risk of loss of the trade secret).*

Referring to Claim 14:

Halligan discloses calculating an average numeric value or value associated with the person (page 5 [0084] Table B, Figure 5 Calculate Employee Risk Factor; page 8 [0105-0106]).

Referring to Claim 15:

Heckman discloses a legal action with litigation (Figure 4). Heckman does not disclose that the legal action is a class action suit.

The fact that the legal action is a class action suit is determined to be nonfunctional descriptive data which is not functionally involved in the steps recited. The steps to the invention would be performed the same regardless of this data. Thus, this descriptive material will not distinguish the claimed invention from the prior art in terms of patentability, see *In re Gulack*, 703 F. 2d 1381, 1385, 217 USPQ 401, 404 (Fed Cir. 1983); *in re Lowry*, 32 F. 3d 1579, 32 USPQ 2d 1031 (Fed. Cir. 1994).

Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate this data because such data does not functionally relate to the steps in the method claimed and because the subjective interpretation of data does not patentably distinguish the claimed invention.

Referring to Claims 17-19:

Halligan discloses wherein the information is received via an electronic feed, wherein the network access device is a personal computer, or a wireless handheld device (pages 3-4 [0052-0066]).

Referring to Claims 24-27:

The fact that the person is a legal person or a natural person, or a combination of both or that the legal person is governmental entity, or that the suggested action comprises appearing as an amicus curiae of the court in litigation, or that the risk comprises legal, regulatory, financial and reputational exposure is determined to be nonfunctional descriptive data which is not functionally involved in the steps recited. The steps to the invention would be performed the same regardless of this data. Thus, this descriptive material will not distinguish the claimed invention from the prior art in terms of patentability, see *In re Gulack*, 703 F. 2d. 1381, 1385, 217 USPQ 401, 404 (Fed Cir. 1983); *in re Lowry*, 32 F. 3d 1579, 32 USPQ 2d 1031 (Fed. Cir. 1994).

Therefore, it would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate this data because such data does not functionally relate to the steps in the method claimed and because the subjective interpretation of data does not patentably distinguish the claimed invention.

**(10) Response to Argument**

**Claims 1, 2, 6-9, 11-20, and 24-27 rejected under 35 USC 112, 1<sup>st</sup> paragraph - enablement.**

Claims 1-2, 6-9, 11-20, and 24-27 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the enablement requirement because the claims contain subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention.

The following terms and concepts are not defined in a manner that would allow someone to duplicate the invention such that a predictable and repeatable result is achieved. There are no clear and adequate explanations of the following terms so as to allow one wishing to duplicate and use the invention to do so:

Appellant claim language reads:

receiving, into the computer memory, information relating to a plurality of risk assessment factors associated with a legal action, wherein the risk assessment factors are selected from a group consisting of a likelihood of prolonged litigation, damages, punitive damages, and damaged public opinion;

assigning a numerical value to each of the plurality of risk assessment factors wherein the numerical value is indicative of a legal risk of each risk assessment factor relative to the other plurality of risk assessment factors;

calculating a plurality of risk factor values by multiplying the numerical value and the weight assigned to each of the plurality of risk assessment factors;

calculating a risk quotient for the legal action by summing the plurality of risk factor values; and

in response to the calculated risk quotient, generating a suggested action associated with the legal action.

The appellant states in the Appeal Brief (page 7) that the Examiner admits on page 3 of the Final Office Action dated October 19, 2006 that the specification states an exemplary way to implement the invention.

What the Examiner stated was that the specification explicitly states one exemplary way to implement the invention, which includes multiplying (an assigned numerical value representative of risk associated with a piece of information) x (a numerical weight of a risk assessment factor to which the information is assigned) and summing up the results for multiple pieces of information to obtain a risk quotient (scaled numerical or alphanumerical value). However, the Examiner set forth the following question:

How is the numerical value assigned to the risk assessment factors?

What determines how the value gets assigned?

The Examiner further stated that the calculation involves subjective analysis of values that are not defined. There is no detailed or concrete, full, concise and exact written description of how one would quantify or assign the values.

In the Remarks submitted on July 26, 2006, the appellant directed the Examiner to paragraphs 0045-0047 for support of the claim limitations, wherein the specification discloses the following:



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[0045] A ALARM risk quotient can be calculated 313 by weighting the risk assessment factors 116 according to their relative risk, such as the likelihood of prolonged litigation, substantial damages, punitive actions, damaged public opinion or other adverse affects related to Risk. Calculating a ALARM risk quotient can be accomplished by assigning a numerical value to each risk assessment factor 116, wherein the numerical value is representative of the risk associated with a particular piece of information, or a combination of pieces of information. For example, it may be determined in one case that a litigation poses significant advantages with a very strong position that has a good chance of being resolved through a summary judgment before an issue friendly judge. Therefore this information from the first case is assigned a low numerical value, or even a negative numerical value. In a second case, an issue may involve subject matter that is sensitive politically or to public relations. Information conveying this type of subject matter with high risk may be assigned a high numerical value. In addition, a weight can be assigned to an ALARM risk assessment factor 116 to which the information is assigned. A Risk Quotient can be calculated by multiplying a weighted numerical value indicative of how important a risk assessment factor 116 may be in regards to Risk times a value assigned according to the information contained in the risk assessment factor to obtain a risk factor value. The risk factor values may then be summed to obtain the Risk Quotient 110.

[0046] For example, information received may indicate a potential litigation would be before a court that has previously issued strong opinions adverse to a client's position. In addition, the subject matter of the potential litigation may be particularly sensitive in the political arena. The risk assessment factor 116 assigned to the court may be a numerical value of 8 indicating a high risk with a weight of 10 given to court positions. In addition, the subject matter may also be rated at an 8 because of the risk associated with the political climate and political climate may have a weight of 7 according to its location and breadth of coverage. On the other hand, the client may have strong evidence in support of their position, which may receive a 1 because it is a relatively low risk. Evidence may also have a risk factor value of 10. Also, the subject matter of the legal action may not be a core interest to the client wherein this risk factor may be assigned a value of 3, with interest to client having an assigned weight of 5. Therefore, the net score for this example would be 8 times 10 or 80 plus 8 times 7 or 56 plus 3 times 10 or 30 plus 3 times 5 or 15 for a sum of 181, which is the Risk Quotient.

[0047] A suggested action can be generated that is responsive to the Risk Quotient 314. For example, in response to a substantial risk indicated by a large value for a Risk Quotient, a suggested action may be to not proceed with a legal transaction or to settle a pending action. In response to a low risk score, the ALARM server 210 may respond by generating a course of action

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recommending pursuit of a legal action, and/or a strategy that may be executed to pursue the action. Intermediate scores may respond by suggesting that additional information be gathered, that various aspects of the legal action be monitored, or other interim measures.

The Examiner asserts that there is no list of essential elements or questions identified which identify the numerical values and how they are assigned. Thus, any suggested action generated in response to the calculated risk quotient using these undefined and subjective values provide a result that is non-repeatable and unpredictable, thus not a concrete result. The specification provides very little usable clear guidance as to how to objectively make the determination of what is produced in the report.

The Examiner asserts that with respect to subjective information entered by a user, this subjective information would result in a different value depending on the scaled values that the individual uses, how the values are assigned and the weight the individual assigns to a factor. Thus, for each individual performing the invention, the result would be different and would have a different meaning. Therefore, the invention does not produce a repeatable or concrete result as required by the statute. The users of the invention must conduct a great deal of experimentation on their part in order to use the invention – to the point where the users become the inventor of their own application of the invention, rather than the applicant.

Appellant states in the Remarks submitted on July 26, 2006 (page 10) that:

Appellant emphasizes that the risk assessment factors are assigned numerical values that provide an indication of the "relative" risk of each risk assessment value with respect to the other risk assessment values. Accordingly, as discussed in the Specification, the exact numeric value assigned to a risk

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assessment factor is not as significant as the relative value of the various risk as assessment factors.

Appellant respectfully submits that one skilled in the art would be enabled to make or use the invention since those skilled in the art would be knowledgeable of how to assign (i.e., associate) a numeric value to a category of factors and how to assign a weight to a category of factors depending on a relative importance of each factor.

Furthermore, as with many real-world methodologies that provide concrete results (e.g., ratings, suggestions, rankings, warnings, etc.), not including an explicit recitation of the exact criteria used in the methodology does not invalidate or otherwise make the results any less concrete or the method less enabling. For example, if the criteria used in the claimed method are used consistently, the claimed result will be real and reproducible. Also for example, Appellant notes methods used to generate government crash test ratings for cars (e.g., 1 - 5 stars) and even movie ratings (e.g., 1 - 4 or 5 stars) provide real results that may be reproduced. The method used to obtain the result here (i.e., a rating based on a number of stars) is also reproducible. The exact numeric star rating may or may not be the same.

Appellant argues in the Appeal Brief that:

Further, those skilled in the pertinent arts related to the claimed subject matter to which the application pertains would/do understand how to assign a numerical value to a factor of a computer-implemented method since such task(s) are understood by those knowledgeable in, for example, computer programming and/or analysis. **Assigning values to a defined variable of a computer-implemented method is submitted as well-known and need not be repeated or explained by Appellant in view of the scope of the pending claims.**

Appellant admits on page 10 of applicant's response filed on September 16, 2004

that the user of the present invention is free to generate a value via objective or

**subjective** means. Appellant states on page 10 of the September 16, 2004

response that:

The present invention is not limited to any one method or algorithm for the generation of such a scaled value. Many techniques and methods can be adapted for the generation of a scaled value based upon the information relating to legal action. Appellant respectfully suggests that the present invention is not limited to any one algorithm or method for ascertaining the scaled numeric or

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alphanumeric value, and that generating such a person practicing the present invention is free to generate a value via objective or **subjective** means.

Appellant states on page 11 of the response submitted on July 7, 2005 that the "example on page 12, lines 15-27 specifically details that a risk assessment can be **subjective** to the client using the present invention, as can be a numerical value representative of the risk associated with a particular piece of information." Appellant further states that a risk assessment factor can be anything that is important to the client and relates to the client's status as party to a litigation or an amicus curiae".

In conclusion, the Examiner asserts that the rejections based upon enablement are proper and should be sustained for the reasons set forth below. The nature of appellant's invention requires the subjective analysis of the user in assigning a numerical value to each of the plurality of risk assessment factors, and assigning a weight to the factors. Thus, from the onset, the Examiner asserts that it is apparent that any analysis as to this extent cannot be reliably and predictably quantified by one skilled in the art in the manner recited in the claims. As set forth above, although there is no subjectivity as to calculating steps, there is considerable subjectivity as to the analysis and consideration of the numerical values and weights assigned, such that each user has his/her own analysis/interpretation. Therefore, the Examiner asserts that for appellant's invention to be enabling to one skilled in the art, appellant would need to provide considerable direction and guidance as what the numerical values are, how the values are assigned, what the weighted values are and how they are assigned for any calculated risk quotient and suggested action in response to the risk quotient to

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be predictable and repeatable. The claim limitations are elusive due to the subjective and inconcrete nature of the invention, thereby casting doubt on the ability of one skilled in the art to which this invention pertains to produce repeatable and predictable results when attempting to generate a suggested action based on the calculated risk quotient which involves this subjective analysis. There is no proof that the subjective determination made in the human mind can be reliably and predictably quantified. The Examiner asserts that one cannot look to the scope of the prior art to resolve or overcome the lack of guidance provided by the appellant. The appellant provides brief descriptions and multiple examples to try to provide guidance as to the numerical scale and how it is applied. However, the appellant has not set forth explicit ranges for the values, explicit criteria for the values, how to apply the values and how to assign a weight to the factors. The Examiner asserts that when looking at the factors to be consider when determining whether there is sufficient evidence to support a determination that a disclosure does not satisfy the enablement requirement and whether any necessary experimentation is "undue", appellant's claims are directed to broad concepts defined by examples and generalities, with an infinite variety of possible values to be assigned in an infinite variety of ways. The Examiner asserts that the nature of the invention is that of a subjective and inconcrete nature. The Examiner asserts that the prior art does not provide guidance or direction so as to enable one skilled in the art to make or use the invention so that the resulting suggested action would be repeatable and predictable. A lack of precise definitions as to values, application of values, weights and assignment of weights cast doubt on the ability of

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one of ordinary skill in the art to produce repeatable and predictable results when attempting to generate a suggested action using the risk quotient calculated using the subjective and undefined values and weights by multiple parties. It is not clear how the appellant takes these subjective analysis and converts them to quantifiable elements limited to the realm of objective perceptions. "Results" based on the subjective perceptions are typically non-repeatable and non-predictable and therefore contribute to the lack of enablement in the Specification that one of ordinary skill in the art would need to make and use appellant's invention.

**Claims 1-2, 6-9, 11-20, and 24-27 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement as to the transitional phrase "consisting of".**

***The Examiner notes that appellant did not argue this rejection in the Appeal Brief.***

**Claims 1, 2, 6-9, 11-20 and 24-27 are directed to non-statutory subject matter under 35 USC 101.**

Claim 1-2, 6-9, 11-20, and 24-27 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

For a claimed invention to be statutory, the claimed invention must produce a useful, concrete, and tangible result. The claimed invention does not produce a concrete result. The invention as claimed is not repeatable and cannot be implemented without undue experimentation.

MPEP 2106 II A states as follows:

A process that consists solely of the manipulation of an abstract idea is not concrete or tangible. See *In re Warmerdam*, 33 F.3d 1354, 1360, 31 USPQ2d

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1754, 1759 (Fed. Cir. 1994). See also Schrader, 22 F.3d at 295, 30 USPQ2d at 1459.

Appellant admits on page 10 of applicant's response filed on September 16, 2004 that the user of the present invention is free to generate a value via objective or **subjective** means. Appellant states on page 10 of the September 16, 2004 response that:

The present invention is not limited to any one method or algorithm for the generation of such a scaled value. Many techniques and methods can be adapted for the generation of a scaled value based upon the information relating to legal action. Appellant respectfully suggests that the present invention is not limited to any one algorithm or method for ascertaining the scaled numeric or alphanumeric value, and that generating such a person practicing the present invention is free to generate a value via objective or **subjective** means.

The Examiner asserts that the appellant has not provided any objective means for performing the invention.

Appellant states on page 11 of the response submitted on July 7, 2005 that the "example on page 12, lines 15-27 specifically details that a risk assessment can be **subjective** to the client using the present invention, as can be a numerical value representative of the risk associated with a particular piece of information." Appellant further states that a risk assessment factor can be anything that is important to the client and relates to the client's status as party to a litigation or an amicus curiae".

Many subjective interpretive criteria are involved in coming up with the end result in applicant's invention. There is no necessary list of essential elements (values or weights) or questions identified to produce a concrete result. The specification provides very little usable clear guidance as to how to objectively assign the numerical value and

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assign a weight to each of the risk assessment factors used in the calculation of the risk quotient used to determine a suggested action. No scale for the values or the weights have been identified. Thus, for each individual performing the invention, the scaled values would be different, the factors would be weighed differently and each individual performing the invention, for the same set of facts, would come up with a different result and the result would mean something different to each of the individuals.

The result of the instant invention is a suggested action generated by using a risk quotient that is calculated using undefined and subjective values of a human being. Section 101 requires that the results be reproducible. In the instant case, the numerical values and the assigned weights are the result of expressions of subjective mental steps of a particular individual. Even the same person might generate different values and assign different weights, as when the person feels differently about the assessment factors at a different time or on a different day. Moreover, since the suggested action is based on a calculated risk quotient based on subjective values and weights, the resulting suggested action is dependent on the subjective analysis and cognitive process of a user. A person can be dishonest about how the values should be assigned or weighted. The subjective component of the invention is not amendable to reproducibility of a result. The result is not concrete or tangible, but merely a suggested action based on the subjective analysis of the user. Thus, the applicant's invention is a process and system that consists solely of the manipulation of an abstract idea and therefore is not statutory.



**Claims 1, 2, 6-9, 11-20 and 24-27 are rejected under 35 U.S.C. 103(a) as being unpatentable over Heckman in view of Halligan.**

Appellant first argument is that while Heckman discloses a computer implemented method, system and program code for managing risk related to a legal action, Heckman does not disclose assigning numerical values, assigning weights, calculating risk factors, or calculating a risk quotient for the legal action. In response to applicant's arguments against the references individually, one cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986).

Appellant states that in Halligan, while Section 757 of the First Restatement of Torts sets forth six factors for evaluating the existence of a trade secret to assist the courts in adjudicating trade secret cases, it is clear that the six factors are used to document, weight, and "evaluate the existence of a trade secret and measures to protect the trade secret", that the numerical factors disclosed in Halligan, whether assigned or calculated, relate to the merits of a trade secret and measures to protect the trade secret, that while the factors disclosed in Halligan may mirror those used in a court in assessing the existence of a trade secret in a trade secret legal proceeding, the factors themselves are related to the existence of the trade secret, not a legal action. The Examiner disagrees with this assertion since the paragraphs 0095 and 0096 state that the weightings are called defendability factors or defensibility factors and comparing the defendability factors to one or more thresholds can provide an objective measure of whether a trade secret is defendable (i.e. defensible). A defendable trade secret means

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information in which the defendability factors in combination with one or more threshold values may be used to establish that a court of competent jurisdiction would more likely than not find the existence of a trade secret. Paragraph 0097 states that where the metric exceeds the predetermined threshold level, a determination may be made that a protectable trade secret exists. Thus, the Examiner asserts that this Halligan relates to a legal action. Why would one litigate a trade secret when it is established that the trade secret may not be defendable?

Appellant argues that combining Heckman and Halligan would appear to logically result in the legal strategic planning and evaluation system regarding a legal proceeding of Heckman that uses the trade secret evaluation and analysis method and system of Halligan to assign numerical values in evaluating trade secrets. The appellant states that it is clear that even if Heckman and Halligan were combined as asserted by the Examiner (which appellant does not admit as feasible), the combination would not render claims 1, 16, and 20 obvious due to the patentable differences between the claims and the combination of Heckman and Halligan. The Examiner asserts that this line of reasoning amounts to a general allegation that the claims define a patentable invention without specifically pointing out how the language of the claims patentably distinguishes them from the references. Thus, applicant's arguments fail to comply with 37 CFR 1.111(b) b.

**(11) Related Proceeding(s) Appendix**

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

For the above reasons, it is believed that the rejections should be sustained.

This examiner's answer contains a new ground of rejection set forth in section (9) above. Accordingly, appellant must within **TWO MONTHS** from the date of this answer exercise one of the following two options to avoid *sua sponte* **dismissal of the appeal** as to the claims subject to the new ground of rejection:

(1) **Reopen prosecution.** Request that prosecution be reopened before the primary examiner by filing a reply under 37 CFR 1.111 with or without amendment, affidavit or other evidence. Any amendment, affidavit or other evidence must be relevant to the new grounds of rejection. A request that complies with 37 CFR 41.39(b)(1) will be entered and considered. Any request that prosecution be reopened will be treated as a request to withdraw the appeal.

(2) **Maintain appeal.** Request that the appeal be maintained by filing a reply brief as set forth in 37 CFR 41.41. Such a reply brief must address each new ground of rejection as set forth in 37 CFR 41.37(c)(1)(vii) and should be in compliance with the other requirements of 37 CFR 41.37(c). If a reply brief filed pursuant to 37 CFR 41.39(b)(2) is accompanied by any amendment, affidavit or other evidence, it shall be

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treated as a request that prosecution be reopened before the primary examiner under 37 CFR 41.39(b)(1).

Extensions of time under 37 CFR 1.136(a) are not applicable to the TWO MONTH time period set forth above. See 37 CFR 1.136(b) for extensions of time to reply for patent applications and 37 CFR 1.550(c) for extensions of time to reply for ex parte reexamination proceedings.

Respectfully submitted,

/Janice A. Mooneyham/

Supervisory Patent Examiner, Art Unit 3689

Conferees:

/John Weiss//JW/, Supervisory Patent Examiner, Art Unit 3629

/Dean Nguyen//DN/, Primary Patent Examiner, Art Unit 3689

**A Technology Center Director or designee must personally approve the new ground(s) of rejection set forth in section (9) above by signing below:**

A handwritten signature in black ink, appearing to read "Wynn W. Coggins".

WYNN W. COGGINS  
TECHNOLOGY CENTER DIRECTOR